

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2005

	February-05				January-05				December-04				September-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
Los Angeles Capital	86,467	2.2%	2.3%	3.75%	83,373	2.2%	2.3%	-3.51%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	5.91%	N/A	N/A	N/A
Total Structured Growth	86,467	2.2%	2.3%	3.75%	83,373	2.2%	2.3%	-3.51%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	5.91%	17.58%	-6.28%	-7.85%
Russell 1000 Growth				1.06%				-3.33%				9.17%				-5.23%	1.08%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																				
LSV	95,323	2.5%	2.3%	3.92%	91,702	2.4%	2.3%	-1.46%	93,033	2.4%	2.3%	9.01%	89,406	2.4%	2.3%	3.21%	15.22%	30.56%	9.33%	8.36%
Russell 1000 Value				3.31%				-1.78%				10.38%				1.54%	13.74%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	183,308	4.7%	4.5%	3.33%	177,464	4.6%	4.5%	-2.63%	182,231	4.7%	4.5%	9.28%	174,651	4.6%	4.5%	-1.68%	8.10%	N/A	N/A	N/A
Russell 1000				2.25%				-2.52%				9.80%				-1.81%	7.46%	N/A	N/A	N/A
<i>S&P 500 Enhanced Index</i>																				
Westridge	176,564	4.5%	4.5%	2.13%	172,859	4.5%	4.5%	-2.40%	177,077	4.6%	4.5%	9.47%	169,705	4.5%	4.5%	-1.99%	6.93%	N/A	N/A	N/A
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	N/A	N/A	N/A
<i>Index</i>																				
State Street	53,061			2.11%	51,966			-2.44%	53,266			9.23%	51,081			-1.88%	6.75%	19.01%	-0.75%	-2.28%
Total Index	53,061	1.4%	1.5%	2.11%	51,966	1.3%	1.5%	-2.44%	53,266	1.4%	1.5%	9.23%	51,081	1.3%	1.5%	-1.88%	6.75%	19.01%	-0.75%	-2.28%
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.70%	-2.21%
TOTAL LARGE CAP DOMESTIC EQUITY	594,724	15.3%	15.0%	3.01%	577,364	15.0%	15.0%	-2.49%	592,001	15.2%	15.0%	9.45%	566,826	14.9%	15.0%	-1.42%	8.38%	21.46%	0.15%	-1.39%
S&P 500				2.10%				-2.44%				9.23%				-1.87%	6.78%	19.11%	-0.70%	-2.21%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	194,372	5.0%	5.0%	1.88%	190,905	4.9%	5.0%	-4.48%	199,830	5.1%	5.0%	14.79%	187,008	4.9%	5.0%	-3.60%	7.69%	32.99%	5.51%	N/A
Russell 2000 + 200bp				1.86%				-4.01%				14.64%				-2.36%	9.44%	35.99%	7.90%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	194,372	5.0%	5.0%	1.88%	190,905	4.9%	5.0%	-4.48%	199,830	5.1%	5.0%	14.79%	187,008	4.9%	5.0%	-3.60%	7.69%	32.99%	5.54%	7.29%
Russell 2000				1.69%				-4.17%				14.09%				-2.86%	8.01%	33.36%	6.24%	6.63%
CONVERTIBLES																				
TCW	388,847	10.0%	10.0%	-0.09%	386,540	10.0%	10.0%	-2.07%	397,368	10.2%	10.0%	8.41%	366,600	9.6%	10.0%	-4.35%	1.45%	17.50%	1.03%	3.90%
Merrill Lynch All Convertibles				-0.73%				-2.29%				5.37%				-1.05%	1.13%	14.16%	4.89%	5.75%
INTERNATIONAL EQUITY																				
<i>Large Cap - Active</i>																				
Capital Guardian	155,670	4.0%	4.0%	3.56%	155,709	4.0%	4.0%	-0.67%	156,972	4.0%	4.0%	10.01%	296,674	7.8%	8.0%	-1.77%	11.17%	25.36%	-0.39%	0.54%
LSV	160,475	4.1%	4.0%	4.63%	158,996	4.1%	4.0%	0.58%	158,007	4.1%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	1	0.0%	0.0%	N/A	1	0.0%	0.0%	N/A	(45)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	316,147	8.1%	8.0%	4.10%	314,705	8.2%	8.0%	-0.04%	314,934	8.1%	8.0%	10.59%	296,674	7.8%	8.0%	-1.77%	13.05%	25.36%	-0.39%	0.54%
MSCI EAFE - 50% Hedged				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>																				
Lazard	44,757	1.2%	1.0%	4.30%	44,486	1.2%	1.0%	0.50%	44,279	1.1%	1.0%	16.09%	39,858	1.0%	1.0%	0.29%	22.04%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				2.20%				16.82%				-0.82%	23.38%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																				
Vanguard	43,759	1.1%	1.0%	4.31%	43,510	1.1%	1.0%	0.92%	43,115	1.1%	1.0%	19.12%	37,867	1.0%	1.0%	0.49%	26.02%	44.68%	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				2.20%				16.82%				-0.82%	23.38%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	404,663	10.4%	10.0%	4.15%	402,701	10.4%	10.0%	0.12%	402,328	10.4%	10.0%	12.57%	374,399	9.8%	10.0%	-1.31%	15.84%	29.16%	1.02%	1.39%
MSCI EAFE - 50% Hedged				3.66%				-0.52%				11.11%				-0.72%	13.76%	26.98%	-1.27%	-2.14%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	678,812	17.5%	16.7%	-0.54%	682,711	17.7%	16.7%	0.25%	680,741	17.5%	16.7%	1.34%	687,449	18.1%	16.7%	3.52%	4.61%	2.42%	7.77%	8.10%
Lehman Aggregate				-0.59%				0.63%				0.96%				3.20%	4.22%	0.32%	6.35%	6.95%
<i>Index</i>																				
Bank of ND	854,965	22.0%	25.0%	-0.60%	860,158	22.3%	25.0%	0.20%	858,329	22.1%	25.0%	0.40%	865,114	22.8%	25.0%	2.54%	2.53%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				-0.55%				0.19%				0.44%				2.71%	2.79%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	384,905	9.9%	8.3%	-0.31%	386,562	10.0%	8.3%	1.66%	382,889	9.9%	8.3%	2.30%	385,414	10.1%	8.3%	4.51%	8.35%	1.18%	N/A	N/A
Lehman US Credit BAA				-0.50%				0.90%				1.69%				4.76%	6.95%	1.96%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,918,682	49.4%	50.0%	-0.52%	1,929,432	50.0%	50.0%	0.51%	1,921,958	49.5%	50.0%	1.11%	1,937,978	51.0%	50.0%	3.27%	4.40%	0.79%	7.00%	7.45%
Lehman Gov/Credit				-0.66%				0.69%				0.80%				3.56%	4.42%	-0.72%	6.73%	7.10%
CASH EQUIVALENTS																				
<i>Bank of ND</i>																				
90 Day T-Bill	385,032	9.9%	10.0%	0.21%	369,820	9.6%	10.0%	0.22%	369,250	9.5%	10.0%	0.53%	368,196	9.7%	10.0%	0.44%	1.41%	1.20%	1.72%	3.39%
				0.16%				0.17%				0.48%				0.37%	1.18%	0.98%	1.71%	3.30%
TOTAL BONDING FUND	3,886,319	100.0%	100.0%	0.73%	3,856,761	100.0%	100.0%	-0.54%	3,882,734	100.0%	100.0%	4.57%	3,801,006	100.0%	100.0%	0.64%	5.44%	9.88%	4.70%	5.16%
POLICY TARGET BENCHMARK				0.38%				-0.49%				4.14%				1.22%	5.30%	8.00%	4.60%	4.72%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.